

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

August 4, 2006

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard
South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Hardie Blake, Jr.
Mr. William Hojnacki

Members Absent:

Mr. Greg Downes, Secretary

Legal Counsel:

Mr. Shawn Peterson, Esq.

Redevelopment Staff:

Mr. Don Inks, Director
Mrs. Cheryl Phipps, Recording Secretary
Ms. Sharon Kendall, Executive Director
Mr. Bill Schalliol, Economic Development Specialist
Mr. Timothy Williams, Economic Development Specialist
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Ms. Jamie Loo, South Bend Tribune
Ms. Charlotte Sobel, South Bend Heritage Foundation
Mr. Pat Lynch, South Bend Heritage Foundation
Ms. Glenda Rae Hernandez
Ms. Rita Kopala
Ms. Nancy Cavadini

Mr. King noted a Revised Agenda for the August 4, 2006 meeting. The Revised Agenda differs from the original Agenda by the addition of Item 6.F.(1) and the change of date of public hearing in Item 6.D.(4) to August 25, 2006.

Mr. King made a motion that the Revised Agenda be accepted and approved. Mr. Hojnacki seconded the motion and the Commission approved the Revised Agenda dated August 4, 2006.

COMMISSION APPROVED THE REVISED
AGENDA DATED AUGUST 4, 2006

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2. APPROVAL OF MINUTES

**A. Approval of Minutes of the Regular Meeting of
Friday, July 21, 2006.**

There were no Minutes ready for approval.

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted August 4, 2006 for approval.

305 SBCDA 2003 BOND

Weaver Boos Consultants LLC	110.00
Walker Parking Consultants	2,430.01

324 AIRPORT AEDA

Michael C Machlan, P.E.	120.00
Wightman Petrie Inc.	600.00
Ken Herceg & Assoc.	3,203.00
South Bend Tribune	91.94
Tri-County News	60.10

414 SAMPLE EWING GENERAL

CFH Landscape Service	3,304.00
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420 FUND TIF DISTRICT-SBCDA GENERAL

Indiana Michigan Power	269.22
Downtown South Bend Inc.	6,236.09
ComSpect Services Inc.	661.16

424 TIF SBCDA Building Operations

Ampco System Parking	15,112.81
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\$	<u>32,198.33</u>
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Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Claims submitted August 4, 2006, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS
SUBMITTED AUGUST 4, 2006, AND ORDERED THE
CHECKS TO BE RELEASED

4. COMMUNICATIONS

**(1) Communication from Council Member
Charlotte Pfeifer to Commissioner Karl King.**

Mr. Inks read the letter from Council Member
Pfeifer into the record.

July 21, 2006

*Mr. Karl King
Chairperson
South Bend Redevelopment Commission*

Dear Karl:

*This letter is to show my support for extending the
TIF boundaries of Blackthorn to include the
LaSalle Square area.*

*On Monday July 24, 2006 the Library Board will
be voting on a proposal to expand the LaSalle
branch library. The neighbors and the entire
South Bend community came together to fight the
closing of that branch. Due to these efforts the
branch has been saved and circulation and usage
is up.*

*I believe expanding the boundaries to include the
LaSalle Square would give the City a tool to entice
private development in this area.*

*The “Inner City Development Task Force” is a
group of citizens who are very concerned about the
lack of development in the city, both housing and
business. I am a member of this task force which
was formed to support the administration in this
very challenging effort.*

4. COMMUNICATIONS

(1) continued...

I believe extending the TIF boundaries would be a great effort in this area of our city.

*Respectfully,
Charlotte D. Pfeifer
South Bend Common Council*

Mr. King noted that in response to this letter, he and Ms. Jones met with Council Member Pfeifer and Council Member White. A major purpose of the meeting was to get a clear understanding of what was being requested. The intent is to only add LaSalle Square to the Airport Economic Development Area TIF allocation area, not “Blackthorn.”

Mr. Inks noted that staff would be prepared to review the issues related to a decision and make a recommendation at a later time, if the Commission so desired.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission authorized and requested staff to research the ramifications of bringing the LaSalle Square shopping center into the AEDA, whether any expenditures of money from the AEDA TIF district would be allowed to be spent on the kinds of things that would need to be done in that area, and what legal or regulatory requirements would have to be met in responding to Council Member Pfeifer’s request. The motion includes a request that staff report to the Commission the results of its research at a later meeting.

COMMISSION AUTHORIZED AND REQUESTED STAFF TO RESEARCH THE RAMIFICATIONS OF BRINGING THE LASALLE SQUARE SHOPPING CENTER INTO THE AEDA, WHETHER ANY EXPENDITURES OF MONEY FROM THE AEDA TIF DISTRICT WOULD BE ALLOWED TO BE SPENT ON THE KINDS OF THINGS THAT WOULD BE DONE IN THAT AREA, AND WHAT LEGAL OR REGULATORY REQUIREMENTS WE WOULD HAVE TO MEET IN RESPONDING TO COUNCIL MEMBER PFEIFER’S REQUEST. THE MOTION INCLUDES A REQUEST THAT STAFF REPORT TO THE COMMISSION THE RESULTS OF ITS RESEARCH AT A LATER MEETING

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. Tax Abatements

- (1) Commission approval requested for Resolution No. 2260 approving an application for real property tax deduction for property in the South Bend Central Development Area (South Bend Chocolate Company)**

Mr. Schalliol gave the staff report on the project. South Bend Chocolate Development Corp. plans to develop in the former Oscos drug store a new retail store called the South Bend Candy, Card & Convenience Store, along with expanding its existing café and restaurant. A family area to be called The Play Café will include installation of a high-tech video infrared computer game system and state-of-the art signage and displays. This retail development will connect with the Gridiron Row building and allow for expansion of both the Chocolate Café and the restaurant space. The Chocolate Café and the restaurant would occupy the smaller building adjacent to their current locations. Additional space will be rented to other retail stores.

It is estimated that the total project will create two new permanent full-time jobs and ten new permanent part-time jobs representing a new annual payroll of \$126,000. The project will also maintain forty existing jobs representing an annual payroll of \$360,000.

6. NEW BUSINESS (CONT.)

A. Tax Abatements

(1) continued...

South Bend Chocolate has not had any previous tax abatements. The property is properly zoned for the proposed use. The property is in the South Bend Central Development Area which is a Tax Increment Allocation Area; therefore, the petition for real property tax abatement must first be approved by the South Bend Redevelopment Commission. The project meets the qualifications for a five-year real property tax abatement under the tax abatement ordinance.

The project is expected to cost between \$750,000 and \$1,250,000. With a project cost of \$750,000, the cost of the abatement is estimated as follows:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$128,610
With 5 Yr Abatement	\$51,444
Estimated Cost of 5 Yr Abatement	\$77,166

With a project cost of \$1,250,000, the cost of the abatement is estimated as follows:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$214,350
With 5 Yr Abatement	\$85,740
Estimated Cost of 5 Yr Abatement	\$128,610

6. NEW BUSINESS (CONT.)

A. Tax Abatements

(1) continued...

Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2260 approving an application for real property tax deduction for South Bend Chocolate Development Corp. at 128 S. Michigan St.

COMMISSION APPROVED RESOLUTION No. 2260
APPROVING AN APPLICATION FOR REAL
PROPERTY TAX DEDUCTION FOR SOUTH BEND
CHOCOLATE DEVELOPMENT CORP. AT 128 S.
MICHIGAN ST.

(2) **Commission approval requested for Resolution No. 2261 approving an application for real property tax deduction for property in the Northeast Neighborhood Development Area. (Geraldine Meehan and Cyril O'Regan)**

Mr. Schalliol gave the staff report on the project. Geraldine Meehan and Cyril O'Regan plan to construct a 2, 200 sft, four-bedroom, three-bath, two story residential home with a front porch and a two-car garage. The construction of this home will help to anchor the area of North Notre Dame between Howard Street and Corby Ave., and will serve as the primary residence for a family of three. The cost of construction will be approximately \$300,000.

The petitioner has not been granted any previous tax abatements. The property is properly zoned for the proposed use. The property is in the Northeast Neighborhood Development Area, which is a Tax Increment Allocation Area; therefore, the abatement first must be approved by the South Bend Redevelopment Commission. The project qualifies for a five-year residential tax abatement under the tax abatement

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ordinance.

6. NEW BUSINESS (CONT.)

A. Tax Abatements

(2) continued...

	Estimated Taxes Over 5 Yrs
Without Abatement	\$34,621
With 5 Yr Abatement	\$23,201
Estimated Cost of 5 Yr Abatement	\$11,420

Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2261 approving an application for real property tax deduction for Geraldine Meehan and Cyril O'Regan located at 907 Notre Dame Ave.

COMMISSION APPROVED RESOLUTION No. 2261 APPROVING AN APPLICATION FOR REAL PROPERTY TAX DEDUCTION FOR GERALDINE MEEHAN AND CYRIL O'REGAN LOCATED AT 907 NOTRE DAME AVE.

B. Housing

There was no Housing business.

C. South Bend Central Development Area

(1) Commission approval requested for proposal for roof repairs in the South Bend Central Development Area. (LaSalle Hotel)

Mr. Inks asked that Item 6.C.(1) be tabled.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission tabled Item 6.C.(1) until further notice.

COMMISSION TABLED ITEM 6.C.(1) UNTIL FURTHER NOTICE

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(1) Commission approval requested for Resolution No. 2263 related to acquisition of property in the Sample-Ewing Development Area. (former Kokoku Wire)

Mr. Schalliol noted that the Kokoku property is part of a three-way transaction which will facilitate development at the corner of Ireland and Lafayette. The city needs some right-of way on the Ireland/Lafayette corner. The owner of that property is willing to trade his property for some land on the west side of Lock Joint Tube. Lock Joint Tube is willing to trade is property for the former Kokoku property which the city has the ability to acquire. Resolution No. 2263 sets the purchase price the city is willing to pay for the former Kokoku Wire property. Due to the condition and former use of this property, two appraisals were obtained to help set the “as clean” purchase value of the site. A Phase I environmental report and a proposal for a Phase II report were prepared by Wightman-Petrie Environmental to help in establishing the potential impact value of environmental and site clean-up. This second value is used against the “as clean” value to set a true market value price for the property. This approach for establishing value is consistent with the other acquisition efforts throughout the Studebaker Corridor area.

The average appraised value for the subject property in an “as clean” condition is \$377,000. The value of the environmental and site clean-up as determined by

6. NEW BUSINESS (CONT.)

D. Sample-Ewing Development Area

(1) continued...

Wightman-Petrie Environmental is at a base level of \$177,000 with a standard 30% contingency of \$53,000, creating a basic site clean-up value of \$230,000. By using both the number variables, the proposed value of an “as clean” Kokoku site would be \$147,000. Resolution No. 2263 sets the purchase value of the former Kokoku property at \$147,000.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2263 related to acquisition of property in the Sample-Ewing Development Area. (former Kokoku Wire)

COMMISSION APPROVED RESOLUTION No. 2263
RELATED TO ACQUISITION OF PROPERTY IN THE
SAMPLE-EWING DEVELOPMENT AREA.
(FORMER KOKOKU WIRE)

E. Airport Economic Development Area

(1) Commission approval requested for Resolution No. 2264 related to acquisition of property in the Airport Economic Development Area by eminent domain.

Mr. Witwer noted that the city needs to acquire properties at 4022 W. Cleveland Rd., 2929 Foundation Drive and 3922 Nimtz Parkway for right of way for its extension of Foundation Drive. Resolution No. 2264 sets the purchase price to be offered for the properties.

4022 W. Cleveland	May Mendenhall	46,352.50
2929 Foundation Dr	Woodhurst Realty	17,987.50
3922 Nimtz Pkwy	Ruth E. Butler	10,550.00

6. NEW BUSINESS (CONT.)

E. Airport Economic Development Area

(1) continued...

Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2264 related to acquisition of property in the Airport Economic Development Area by eminent domain.

COMMISSION APPROVED RESOLUTION No. 2264
RELATED TO ACQUISITION OF PROPERTY IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA BY
EMINENT DOMAIN

(2) Commission approval requested for Memorandum of Understanding with Albert and Marilyn Lichtenbarger.

Mr. Witwer noted that the city needs a 50 ft. strip of property from Albert and Marilyn Lichtenbarger for right-of-way to complete its Olive/Brick intersection improvements. It cannot be purchased at this time as the property is not yet in the city limits. The Memorandum of Understanding establishes that the Lichtenbargers will voluntarily annex this parcel into the city and, at such time that the annexation is complete, the Commission will purchase the parcel for the amount of \$140,995.

This agreement is non-binding and subject to the acquisition process of the Commission. Staff recommends approving the Memorandum of Understanding with Albert and Marilyn Lichtenbarger.

Mr. King asked if the Lichtenbargers will be submitting the petition for voluntary annexation. Mr. Witwer responded that the staff will prepare the documents necessary and submit them on behalf of the Lichtenbargers.

6. NEW BUSINESS (CONT.)

E. Airport Economic Development Area

(2) continued...

Mr. Hojnacki asked if the document is non-binding, why are we approving it? Mr. Peterson responded that it is non-binding subject to the completion of the procedures to go through the financing. The reason we're entering into this agreement with them is to establish all the boundaries of the terms so that they are comfortable enough to annex a portion of the property into the city limits. The MOUT sets out the terms up front of what we're willing to agree do, and they are comfortable with those terms.

Mr. King asked for a timeline. Mr. Peterson responded that the annexation and acquisition should be complete by the end of the year.

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission approved the Memorandum of Understanding with Albert and Marilyn Lichtenbarger.

COMMISSION APPROVED THE MEMORANDUM OF UNDERSTANDING WITH ALBERT AND MARILYN LICHTENBARGER

(3) Commission approval requested for proposals for professionals services in the Airport Economic Development Area. (Appraisals R.O.W. Dylan Dr.)

Mr. Witwer noted that staff needs two appraisals for the right-of-way acquisitions necessary for the extension of Dylan Drive north to Adams Road. Three proposals were requested. Ralph Lauver proposed to complete the appraisals for a fee of \$3,950; Rick Pitts proposed to complete the appraisals for a fee of \$3,200 and Jerome

6. NEW BUSINESS (CONT.)

E. Airport Economic Development Area

(3) continued...

Michaels proposed to complete the appraisals for a fee of \$3,800. Staff recommends accepting the two lowest proposals from Rick Pitts and Jerome Michaels.

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission authorized the request for proposals in the Airport Economic Development Area and accepted the proposals from Rick Pitts and Jerome Michaels for the scope of services and fee proposed.

COMMISSION AUTHORIZED THE REQUEST FOR PROPOSALS IN THE AIRPORT ECONOMIC DEVELOPMENT AREA AND ACCEPTED THE PROPOSALS FROM RICK PITTS AND JEROME MICHAELS FOR THE SCOPE OF SERVICES AND FEE PROPOSED

(4) Reschedule Public Hearing on Resolution No. 2254 to 10:00 a.m., August 25, 2006.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission rescheduled the Public Hearing on Resolution No. 2254 to 10:00 a.m., August 25, 2006.

COMMISSION RESCHEDULED THE PUBLIC HEARING ON RESOLUTION NO. 2254 TO 10:00 A.M., AUGUST 25, 2006

F. South Bend Medical Services District

There was no business in the South Bend Medical Services District.

G. West Washington-Chapin Development Area

(1) Commission authorization requested to appoint South Bend Board of Public Works as the Commission's agent to receive and award quotes for renovation of the Engman Natatorium in the West Washington Development Area.

6. NEW BUSINESS (CONT.)

G. West Washington-Chapin Development Area

(1) continued...

Ms. Charlotte Sobel, South Bend Heritage Foundation, gave the progress report on the Natatorium. South Bend Heritage will be entertaining bids on the continued restoration of the Natatorium. The demolition work is essentially completed. The brick work needs to be tuck pointed and some ceramic tile needs to be repaired on the east and west face. South Bend Heritage would also like to install a steel cross beam across the back of the building so the roof doesn't collapse when the addition is put on. They would also like to bring in temporary electric power, water and sewer for the workers. If the sewer line has to be completely replaced (worst case, which is not expected) the amount of those repairs would be \$125,000. South Bend Heritage would like to take bids on all those projects and submit them to the Board of Public Works, to be paid from the West Washington-Chapin Development Area TIF, per the Commission's agreement with South Bend Heritage Foundation.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried the Commission appointed the Board of Public Works as its agent to receive and award quotes for renovation of the Engman Natatorium in an amount not to exceed \$125,000.

COMMISSION APPOINTED THE BOARD OF PUBLIC WORKS AS ITS AGENT TO RECEIVE AND AWARD QUOTES FOR RENOVATION OF THE ENGMAN NATATORIUM IN AN AMOUNT NOT TO EXCEED \$125,000

H. South Side Development Area

There was no business in the South Side Development Area.

6. NEW BUSINESS (CONT.)

I. Northeast Neighborhood Development Area

There was no business in the Northeast Neighborhood Development Area.

J. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

7. PROGRESS REPORTS

Ms. Sobel noted that both the Basic Machine and Oil Express projects are done. The Natatorium is the last remaining function. South Bend Heritage has been working closely with IUSB so that when the Natatorium is rehabbed and finished will become the Center for Civil Rights History for IUSB.

PROGRESS REPORTS

Mr. Pat Lynch gave a Power Point presentation on the demolition and plans for the Natatorium, which will have a Peace Garden. A wall will be installed representing the side of the former pool.

Ms. Sobel noted that everyone in the neighborhood is pleased with the project. They are very glad the building is going to be reused and used for this purpose. She passed on the appreciation of the neighborhood for recognizing the importance of this building in this African American neighborhood and be able to offer it as a testament and tribute to what happened in the past.

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is a Rescheduled Regular Meeting on Friday, August 25, 2006 at 10:00 a.m.

NEXT COMMISSION MEETING

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9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Blake seconded the motion and the meeting was adjourned at 10:35 a.m.

ADJOURNMENT

Donald E. Inks, Director

Marcia I. Jones, President

EXECUTIVE SESSION

August 4, 2006

The South Bend Redevelopment Commission met in Executive Session on Friday, August 4, 2006 at 9:30 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D) and I.C. 5-14-1.5-6.1(b)(2)(B) . Commissioner's Present: Marcia Jones, President; Karl King, Vice President; Hardie Blake, Bill Hojanaki. Others Present: Sharon Kendall, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Shawn Peterson, Bill Schalliol, Tim Williams, Jennifer Laurent, Nick Witwer, and Andy Laurent. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**

Signature

Printed Name and Title

South Bend Redevelopment Commission